

Introduced by Senator Alarcon

February 21, 2003

An act to add Section 1185.6 to the Labor Code, relating to employment.

LEGISLATIVE COUNSEL'S DIGEST

SB 996, as introduced, Alarcon. Living wage.

Under existing law, the Industrial Welfare Commission establishes minimum wage requirements.

This bill would require the commission also to establish minimum living wage requirements, indexed to inflation, that would apply to employers that enter into service contracts with the state, if such firms have at least 50 employees and the service contracts are in the amount of \$50,000 or more, and to employers that receive \$100,000 or more in economic development money from the state, in the form of tax benefits, credits, or exemptions, loans, or grants.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1185.6 is added to the Labor Code, to
2 read:

3 1185.6. (a) Commencing January 1, 2005, the commission
4 shall establish geographically specific minimum living wage
5 requirements.

6 (b) The minimum living wage shall be no less than ten dollars
7 (\$10) per hour for employers that provide health insurance to their
8 employees, and twelve dollars (\$12) per hour for employers that



1 do not provide health insurance to their employees. The minimum
2 living wage shall be indexed to the rate of inflation.

3 (c) Employers that enter into service contracts with the state
4 shall pay their employees no less than the minimum living wage
5 established by the commission, if those employers have 50 or more
6 employees and the service contracts are in the amount of fifty
7 thousand dollars (\$50,000) or more.

8 (d) Employers that receive one hundred thousand dollars
9 (\$100,000) or more in economic development money from the
10 state, in the form of tax benefits, credits, or exemptions, loans, or
11 grants, shall pay their employees no less than the minimum living
12 wage established by the commission.

